

Co-operative Opportunities Project
Report to the CFV Board
17 July 1997

1. Health and Forestry Papers

I have attached responses to the papers from the Victorian Parliamentary Secretary for Natural Resources, and from a representative of the Federal Minister for Health. Both responses are quite pleasing.

Both papers were distributed by Peter Ford of CUSCAL to all credit unions in Victoria.

The Health Services Credit Union distributed the health paper to interstate health services credit unions (there are five of them), and this group have invited me to speak on health co-operatives at a meeting of these five health credit unions later in the year.

2. New opportunities seminar in conjunction with the AGM

I have attached a draft programme for a seminar in conjunction with our AGM on Thursday 11 September. The keynote address will be delivered by Mark Latham MHR.

I gave Mark Latham the option of speaking at the seminar and/or the Dinner. He has preferred the seminar, and may attend the Dinner. This still leaves the question of a speaker for the Dinner. I invite amendments or additions to the draft programme.

3. Health Task Group

A workshop on co-operative options in health care was held on 12 June, with 14 participants. The discussion covered small hospitals, community health and primary care, health insurance, dispensaries, and aged care. A follow up workshop will be held on 24 July to focus on specific initiatives.

The Board authorised earlier this year the establishment of a Task Group on co-operative health insurance, and also endorsed a seminar later this year on small hospitals and community health. Because there are several quite different co-operative opportunities in the health area, it seemed useful to hold a workshop to canvass the health insurance area as well as other possibilities. After the meeting on 24 July, we will be able to clarify whether the Task Group continues with a single focus on the health insurance area, or with a number of interests in the health field. It is recommended that the precise focus of this Task Group be determined at the next meeting of the Board on 21 August.

On 5 June, John Luckman of the YCW Co-op and myself met with the Executive of the Health Insurance Restricted Membership Association of Australia (HIRMAA). Of

the 48 health insurance organisations in Australia, 30 have open membership, and 18 have membership restricted to members or staff of other organisations (the four man Executive of HIRMAA consists of Dudley Wrigley of the NSW Teachers Federation Health Fund, Michael Bassingthwaite of the Lysaght Hospital and Medical Club in Wollongong, Norman Branson of the Naval Health Benefits Society and Ron Coghill of the Army Health Benefits Society).

We discussed the possibility of co-operative health insurance (a health insurance fund restricted to members of co-operatives). John Luckman is particularly keen on following this matter through, in conjunction with the support and advice of HIRMAA: the Executive of HIRMAA offered active support, including provision of a desk on the Prahran premises of the Naval Health Benefits Society, and access to their software.

4. Rural communities conference

I have attached a project proposal which is the outcome of the conference planning committee meeting on 11 July. It is proposed that the project consist of two parts: a day seminar on Saturday 22 November in Central Victoria, and a process extending throughout 1998 involving pre-conference study circles, the 2 day conference itself, and then post-conference implementation and the establishment of regional networks. This two-part format allows for the issues to be put on the agenda immediately and interest generated, while organisational and financial support is gathered for the larger year-long process in 1998 (from philanthropic trusts, Department of Adult, Community and Further Education, and private sources).

The project will focus on five streams: local finance, health, utilities, agriculture and agroforestry.

It is proposed that the Federation support the initial one day seminar in November with a financial allocation of up to \$2000.

Recommendations

1. That the precise focus of the Task Group on co-operative opportunities in health care be determined at the next Board meeting on 21 August.
2. That up to \$2000 from grant allocations be made available for the organisation of the initial one day seminar in November.

Vern Hughes

*with recommended form of
reference being provided to
the Board before its next
meeting.*



Deputy Premier Minister for Agriculture & Resources

The Hon. Patrick McNamara MP

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Mr Vern Hughes
Co-ordinator Co-operative Opportunities Project
Co-operative Federation of Victoria Ltd.
30 Wilkins Street
YARRAVILLE VIC 3013

Dear Mr Hughes

CO-OPERATIVES IN FARM FORESTRY

On behalf of the Hon. Patrick McNamara, MP, Minister for Agriculture and Resources, I acknowledge receipt of your letter of 4 April with the discussion paper on "Co-operatives in Farm Forestry".

The potential benefits of co-operatives are widely discussed among farm foresters who are looking for ways to improve their bargaining power and access to expertise. The current private forestry taskforce has also seen co-operatives as one of the potentially useful ways of improving the efficiency of small growers. Your paper therefore is timely and should provide a good basis for further steps to evaluate or establish co-operatives in particular areas.

The Department of Natural Resources and Environment staff may be able to assist your distribution of the discussion paper and related information by providing lists of co-ordinators and interested parties in farm forestry networks in Victoria. Please contact Ms Tracey Jarvis in the Private Forestry Unit (Ph. 9412 4349) for further information.

Yours sincerely

PHILIP R. DAVIS, MLC
Parliamentary Secretary
Natural Resources

16 / 6 / 1997



COMMONWEALTH OF AUSTRALIA

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Commonwealth Department of
**Health and
Family Services**

Mr V. Hughes
Project Co-ordinator
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Dear Mr Hughes

Thank you for your letter of 4 April 1997 to the Minister for Health and Family Services, the Hon Dr Michael Wooldridge, and the enclosed issues paper titled "Opportunities for Co-operatives in Health Care". The Minister has asked me to reply on his behalf.

This is a most interesting paper which deserves to succeed in its aim of stimulating interest in the co-operative provision of health care. However, the Minister would not agree with the premise in the paper that Australia's health system is in a state of crisis. The overall performance of the Australian health system compares very favourably to other OECD nations in terms of outcomes in most measures of health status, such as mortality rates and life expectancy.

This does not mean that the Minister does not have any concerns about the way the health system is working. The health care system is undergoing significant and continuing change, as more and more is being demanded of it. The Government's reform agenda has a focus on choice, quality and cost. Financing arrangements based on output and outcomes and which engender competition between providers, whether public or private, are those favoured by the Government principally because of their potential to drive the system towards achieving goals of efficiency and effectiveness. Some of these concepts are clearly evident in your paper.

Yours sincerely

Susan Garner
A/g Director
Health Insurance Development Section
18 June 1997

Proposal for AGM Seminar

Thursday 11 September
RACV Club Queen Street Melbourne

3.00 pm Seminar
5.30 pm AGM
7.00 pm Dinner

Seminar: A New Future for Co-operatives

- 3.00 pm Keynote Address: Mark Latham MHR
 Federal Opposition spokesperson for Education
- 3.45 pm Responses
- 4.00 pm The New Future for Co-operatives: Case Studies
- Heath care Marie Duffield (5 minute outlines)
- Health insurance John Luckman
- Energy David Griffiths
- Forestry Tony Gill
- Finance Peter Ford
- Retailing Bill Quinlan
- Rural communities Neil Smith
- 4.45 pm Closing Address: The New Future for Co-operatives: Self-help in an
 era of small government Vern Hughes
- 5.15 pm Close
- Tea and coffee

BUILDING A FUTURE FOR RURAL COMMUNITIES THROUGH CO- OPERATION

INTRODUCTION:

This project aims to enable smaller rural communities (up to 10,000 population) across Victoria to undertake co-operative action to develop economic, social and environmental projects that assist their sustainability.

It will achieve this aim through the use of adult education strategies and skills development at the local and statewide level.

The project consists of 3 stages (these stages are explained in more detail in following sections):

stage 1 - facilitation of local community study circles particularly focussed in smaller rural communities for the purposes of -

- assisting communities to identify opportunities for co-operative action in one (or more) of the following areas:
 local finance;
 health;
 utilities;
 agroforestry; or
 agriculture; and,
- enabling the identification of blockages that prevent the implementation of those opportunities.

stage 2 - conduct of a two day intensive skills based workshop to address the community identified blockages using inter community focus groups, brainstorming and skilled individuals.

stage 3 - ongoing support and facilitation of local community project implementation and support to regional networking.

FUNDING SOUGHT:

stage 1 - \$19,000.00

stage 2 - nil (current shortfall \$8,000.00)

stage 3 - \$5,000.00

BACKGROUND:

The crisis in rural communities is now so well known that there is no useful purpose served in yet again highlighting the issue.

This project aims to assist rural communities to take radical action to reclaim some control over their own futures. This will be through the establishment of locally owned and controlled ventures in the areas of:

financial institutions (especially savings & loans institutions and superannuation);
health services;
utilities (especially electricity distribution and retailing);
agriculture; and,
agroforestry.

At present all of these areas are providing adverse situations for rural communities. For example:

Finance - banks are withdrawing from rural communities; farmers are faced with high interest rates, etc.

Health services - many rural communities are unable to attract doctors, rural hospitals are closing or being downgraded, some areas are losing access to basic services such as childbirthing.

Utilities - the cross subsidisation ends soon in the electricity pricing with many rural communities fearing massive price increases over the next decade.

Agriculture - more and more farmers are being forced to leave the industry, debt levels are increasing, etc.

Agroforestry - many forestry dependent rural communities face extreme environmental degradation, job losses, etc.

The Building a Future for Rural Communities Through Co-operation project aims to provide rural communities with practical workable options for overcoming these adverse impacts through co-operative action. It will draw upon the practical experience of communities from around Australia to provide working examples and implementation expertise. For example:

Finance - Community based Credit Unions, investment funds, mutual aid funds and superannuation funds. The Wallis Report has recommended new regulatory provisions which might enable the development of new kinds of community based financial institutions. Some communities have already successfully established 'alternate' structures and would be used as a source of information and inspiration, eg Maleny in Queensland.

Health - In 1988, the town of Yeoval in central western New South Wales was faced with the closure of its local hospital. The community responded by forming the Yeoval Community Hospital Co-operative which now runs an innovative multi-purpose health centre with a mix of public and private funding. There are 4 co-operative hospitals in NSW and 4 in Queensland.

South Kingsville Health Services Co-operative in Victoria is a co-operative primary care health service providing medical, dental and ancillary services, owned and run by its patients.

Hobsons Bay Community Co-operative was formed in May 1997 by the Altona Community in response to the closure of the Altona Hospital. It will purchase the hospital building and run it as a multi-purpose health and community services centre.

Utilities - Community co-operatives will be able to purchase electricity and gas for their communities in Victoria's restructured energy industry. Without an aggregation of purchasing power, rural communities will be massively financially disadvantaged when the existing cross subsidisation is removed.

Some communities may also explore their own electricity generation capacity. The Orbost Power Co-operative has been exploring this option in East Gippsland.

Agriculture - A number of farmer groups have recently established innovative co-operatives in areas such as flower growing, ryeseed, potatoes, peas and fruits. The co-operative structure enables an aggregation of marketing capacity and operational infrastructure necessary to achieve viability. It also allows growers with limited land to gain access to markets for their produce.

Agroforestry - There are 3 forestry co-operatives in Tasmania, 2 newly formed in Victoria and one in the process of formation in North Queensland. These co-operatives provide small landowners the management and marketing expertise and capacity to grow and sell forestry products for local and export markets.

From these examples it is obvious that communities can turn negative impacts into positive outcomes - if the knowledge and skills are available.

JOINT ORGANISERS AND SUPPORTERS:

The Centre for Rural Communities Inc.
Co-operative Energy Ltd.
Co-operative Federation of Victoria Ltd.

(Friendly Societies Association of Victoria) (Brackets around groups indicate
(The Uniting Church Rural Ministry Network) support is still being sought)
(Credit Union Services Corporation of Australia Ltd.)
(YWCA)
(Brotherhood of St Laurence)
(Victorian Bush Nursing Association)
(Women in Agriculture)

Auspice responsibility will be undertaken by the Centre for Rural Communities Inc. This is a Gippsland based organisation working to achieve economic, social, environmental and cultural sustainability in rural communities. While the Centre's prime focus is Gippsland, it views its work as applicable nationally.

DETAILS OF PROJECT:

STAGE 1.

Because the project aims to have practical on the ground outcomes relevant to communities it will involve communities from the earliest possible point. Using the existing infrastructure of the Adult Community and Further Education (ACFE) sector, the project will:

- advertise the concept;
- receive registration of interest by communities in preference to individuals (without excluding interested individuals);
- conduct a 1 day workshop for 1 representative of each of the registering communities (to create the necessary local involvement and control of the process);
- (through local ACFE groups) establish study circles. These study circles will operate over a 6 week period prior to the 2 day workshop - and there will be interaction between the circle participants and the workshop organisers;
- provide these study circles with discussion material covering issues in the 5 streams, examples of responses in communities, examples of co-operative models, current and emerging opportunities, etc;
- encourage study circles to identify blockages that would prevent the community from implementing a project;
- facilitate the study circles to highlight these identified blockages to the project organisers so they can be addressed at the 2 day workshop.
- encourage attendance by at least five people from each community - this will be the basis of ensuring ongoing activity after the workshop.

STAGE 1 BUDGET:

EXPENDITURE

Organisation and conduct of 1 day workshop	2,000.00
Funding to 30 to 40 ACFE groups to facilitate the study circles	10,000.00
Postage / Photocopying / etc	1,000.00
Costs of preparing discussion papers by people from successful local projects	5,000.00
Regional teleconferences of study circle convenors and project organiser	2,000.00
2 month full time organiser	6,500.00
Total	26,500.00

INCOME

1 day workshop fees	1,000.00
ACFE contribution	5,000.00?
Study circle participants	1,500.00
Total	7,500.00

FUNDING SOUGHT**19,000.00****STAGE 2:**

Conduct of a 2 day workshop which brings together study circle participants and skilled people from communities which have successfully implemented co-operative projects in one of the 5 streams. The 2 day workshop would consist of:

- an overview of co-operative possibilities delivered by a local practitioner - such as (for example) Jill Jordan from Maleny in Queensland.
- 5 streams encompassing the areas of -
 1. finance - based on the experience of existing community - based financial institutions and the recommendations of the Wallis Report.
 2. utilities - based on the deregulation changes to occur in the Victorian power industry.
 3. agriculture - based on successful co-ops such as Western Victoria flower growers / Upper Eastern Victoria Rye Seed producers or Western Central Victoria Pea Co-op.
 4. agro-forestry - based on the experience of existing forestry co-operatives and the Victorian Government's stated aim of encouraging farm forestry.
 5. Health - based on the co-operative hospital model in NSW and co-operative models of primary care.

Each stream will be facilitated by people with hands on experience, community development skills and experience and in depth knowledge of the mechanics of actually bringing the stream to reality - this may mean 3 separate people. The presenters would have workshopped together prior to the 2 day workshop (including the use of teleconferencing) to ensure the presentations are logical and useful.

- a regional networking session facilitated to ensure that network contacts are established within geographic regions to enable regional networking after the 2 day workshop.

BUDGET FOR STAGE 2:**EXPENDITURE:**

150 participants x 2 nights accommodation & food @ \$150.00 each	22,500.00
Presenter payments - and travel & accommodation costs (8 x 1000)	8,000.00
Organisational travel and admin costs	3,000.00
Pamphlet production	1,000.00
1 month full time salary	3,500.00
Total	38,000.00

INCOME:

150 registrations @ \$200.00 each	30,000.00
Total	30,000.00

Total required	8,000.00
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TIMELINES:

As the speed of collapse of rural communities is accelerating it is vital this project commences as soon as possible. We are planning the 1 day workshop for late November and the 2 day workshop for early 1998.

LOCATION:

The options for location of the 2 day workshop are:

- a conference / convention centre or motel
- a tertiary campus
- a rural community which would provide a range of accommodation options (motel, caravan park, billeting) and a range of meeting venues with catering provided by a local community group or groups.

STAGE 3:

Follow up support and facilitation of local study circles and regional networks to ensure that practical outcomes are generated.

BUDGET FOR STAGE 3:**EXPENDITURE**

Follow up teleconferences	2,000.00
Publication of pre and workshop papers	3,000.00
Postage and admin costs	1,000.00
Total	6,000.00

INCOME

Sale of publications	1,000.00
Total	1,000.00

Funding sought	5,000.00
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NUMBER OF PARTICIPANTS SOUGHT:

The project will seek to involve up to 200 participants (150 is felt to be an achievable number).